

JUN 13 2011

FILED

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

STATE OF NEBRASKA)	
DEPARTMENT OF INSURANCE,)	
)	
PETITIONER,)	CONSENT ORDER
)	
VS.)	
)	
PENN TREATY NETWORK AMERICA)	CAUSE NO. C-1896
INSURANCE COMPANY,)	
)	
)	
RESPONDENT.)	

In order to resolve this matter, the Nebraska Department of Insurance ("Department"), by and through its attorney, Martin W. Swanson and Penn Treaty Network America Insurance Company, ("Respondent"), mutually stipulate and agree as follows:

JURISDICTION

1. The Department has jurisdiction over the subject matter and Respondent pursuant to Neb. Rev. Stat. §§44-101.01, 44-303, 44-710 et. seq., 44-1521 et. seq., 44-3601 et. seq., and Title 210 NAC Ch. 36.

2. Respondent is a Pennsylvania domiciled insurer holding a certificate of authority to engage in the business of insurance in the State of Nebraska

STIPULATIONS OF FACT

1. The Department initiated this administrative proceeding by filing a petition styled State of Nebraska Department of Insurance vs. Penn Treaty Network America Insurance Company, Cause Number C-1896 on April 27, 2011. A copy of the petition was served upon the Respondent

at the Respondent's address registered with the Department by certified mail, return receipt requested.

2. Respondent was alleged to have violated Neb. Rev. Stat. §§44-1524, 44-1525(13), 44-3610 and Title 210 NAC Ch. 36 §016 02A as a result of the following conduct:

- a. Pursuant to Title 210 NAC Ch. 36 §016.02A, "An issuer shall collect and file with the Director by May 31 of each year the data contained in the applicable reporting form contained in Appendix A for each type in a standard Medicare Supplement benefit plan."
- b. Respondent, as an issuer of Medicare Supplement products, was to have provided a report as outlined in Title 210 NAC Ch. 36 §016.02A by May 31, 2010. Respondent did not file said report until July 6, 2010. When questioned by John Rink (Rink), assistant actuary in the Department's Life and Health Division, Respondent stated in its August 30, 2010 response that it had experienced an "administrative delay in gathering the information necessary for the reports."
- c. On December 9, 2010, Rink further questioned the administrative delay in filing, and asked why Respondent had not contacted the Department about the delay and if the issue had been resolved. Respondent, on December 10, 2010, admitted that the issue was due to "a decision to change actuarial consultants needed for the data compilation."

3. Respondent was informed of their right to a public hearing. Respondent waives that right, and enters into this Consent Order freely and voluntarily. Respondent understands and acknowledges that by waiving their right to a public hearing, Respondent also waives their right to confrontation of witnesses, production of evidence, and judicial review.

4. Respondent admits that they violated Neb. Rev. Stat. §§44-1524, 44-1525(13), 44-3610 and Title 210 NAC Ch. 36 §016 02A.

CONCLUSIONS OF LAW

Respondent's conduct as alleged above constitutes violations of Neb. Rev. Stat. §§44-1524, 44-1525(13), 44-3610 and Title 210 NAC Ch. 36 §016 02A.

CONSENT ORDER

It is therefore ordered by the Director of Insurance and agreed to by Respondent, Penn Treaty Network America Insurance Company, that they shall pay an administrative fine of \$100.00. The fine shall be paid in total within thirty days after the Director of the Department of Insurance or her designee affixes their signature to this document and approves said consent agreement. The Department of Insurance will continue to retain jurisdiction over this matter and shall prosecute any other violations for failure to comply with this Consent Order. In witness of their intention to be bound by this Consent Order, each party has executed this document by subscribing their signature below.



Martin W. Swanson, #20795
Department of Insurance
941 O Street, Suite 400
Lincoln, Nebraska 68508
(402) 471-2201

6/13/2011
Date



Penn Treaty Network America Insurance
Company

By: Robert L. Robinson, Chief
Respondent's Representative Rehabilitation
Officer

6/1/2011
Date

State of Pennsylvania)
County of Lehigh) ss.

On this 1ST day of June, 2011, Robert L. Robinson, personally
Chief Rehabilitation Officer
appeared before me, on behalf of Penn Treaty Network American Insurance Company, read this
Consent Order, executed the same and acknowledged the same to be his voluntary act and deed.



Notary Public

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Linda G. Carraghan, Notary Public
City of Allentown, Lehigh County
My Commission Expires July 5, 2012
Member, Pennsylvania Association of Notaries


CERTIFICATE OF ADOPTION

I hereby certify that the foregoing Consent Order is adopted as the Final Order of the Nebraska Department of Insurance in the matter of State of Nebraska Department of Insurance vs. Penn Treaty Network America Insurance Company, Cause No. C-1896.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE



Bruce R. Ronge
Director of Insurance



Date

CERTIFICATE OF SERVICE

I hereby certify that a copy of the executed Consent Order was sent to the Respondent, at 3440 Lehigh Street, P.O. Box 7066, Allentown, PA 18103, by certified mail, return receipt requested on this 13th day of June, 2011.

